

**MINUTES OF REGULAR MEETING  
OPEN SESSION  
March 24 and 25, 2009  
ILLINOIS GAMING BOARD  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Tuesday, March 24, 2009 a Regular Meeting of the Illinois Gaming Board ("Board") was held in the conference room of the Gaming Board Offices on the 3<sup>rd</sup> floor at 160 N. LaSalle, Chicago, Illinois.

On Tuesday, March 24, 2009 at approximately 9:30 a.m. the following Board Members were present: Members Charles Gardner, Eugene Winkler, Joseph Moore and Jim Sullivan. Chairman Aaron Jaffe participated via telephone. At 9:40 a.m. on Tuesday, March 24, 2009, Member Gardner called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

- 1. Pending Litigation and matters involving probable litigation;**
- 2. Investigations concerning applicants and licensees;**
- 3. Personnel matters;**
- 4. Closed session minutes; and**
- 5. Evidence and testimony presented in disciplinary hearings.**

Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote. The meeting recessed at 11:55 a.m.

On Wednesday, March 25, 2009 the meeting reconvened at 11:30 a.m. Present were the following Board Members: Members Charles Gardner, Eugene Winkler and James Sullivan and Joseph Moore. Chairman Aaron Jaffe participated via telephone.

The Board remained in Closed Session until approximately 12:35 a.m. The Board went into open session at 1:00 p.m. All members present with the exception of Chairman Jaffe who participated in open session via telephone.

**APPROVAL OF MINUTES**

Member Gardner stated corrections to the minutes of the December 22, 2008 meeting. The Chairman had previously stated that the Waukegan gaming facility was 5,000 square feet and the actual square footage was 50,000 square feet.

Member Moore moved that **the Board approve the closed session minutes of its Regular Meeting of February 10 & 11, 2009.** Chairman Jaffe seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Moore moved that **the board approve the open session minutes of its Special Meeting of December 22, 2008, with the correction as stated in Open Session, and its Regular Meeting of February 10 & 11, 2009.** Chairman Jaffe seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Gardner requested an update on the status of financial matters regarding the 10<sup>th</sup> license. Member Gardner introduced Mr. Neal Bluhm of Midwest Gaming.

Mr. Bluhm stated that Midwest is looking for additional equity and less debt in today's environment. They are working with additional investors to provide additional equity in the project. Mr. Bluhm stated that they are mindful of the Board's concerns for the suitability process to continue to move forward. All land contracts are finalized. The decision to put in more equity was based on the market as it is today.

Member Gardner asked when the additional investors would be named so that additional suitability can continue. Mr. Bluhm stated that April 30, 2009 is the expected date for the additional equity investors to be named.

Member Winkler stated that staff and the Board are concerned about time frames for suitability to continue related to these additional investors.

#### **ADMINISTRATOR'S COMMENTS –**

Administrator Ostrowski stated that the Agenda was amended for the Board Policy item as it pertains to the redemption of Empress Casino's chips and markers. The Board, staff and Empress are working hard with Empress staff to get the casino opened so that the employees will be back at work.

Administrator Ostrowski stated that senior staff met with Randy Roberts and Jim Thomason of Grand Victoria Casino along with senior staff of the Des Plaines Police Department to get them acclimated to the Gaming Board's regulatory and law enforcement functions.

The Administrator also stated the April Board meeting will be held at Harrah's in Metropolis, Illinois. The May Board meeting will be held at Jumer's Casino Rock Island in Rock Island, Illinois and the July Board meeting will be held at the Casino Queen in East St. Louis, Illinois.

The Administrator also thanked Chris Riley for all his hard work. Chris is a member of the Harrah's team and he is transferring to one of the Harrah's properties in Indiana (Horseshoe), and it was a pleasure working with him.

#### **BOARD POLICY ITEM**

Waiver of Rule Requirements – Redemption of Empress Chips, Vouchers and Markers

Pursuant to section 260 of the Adopted Rules, Member Sullivan moved that **the Board waive the requirement of section 640(g)(1), which calls for the posting of signage**

**prohibiting the use, exchange or redemption of Chips, Tokens or Vouchers issued by another Riverboat, for the specific and sole purpose of allowing Hollywood Casino Aurora to designate a cashier cage at which Empress Casino Joliet patrons may exchange Empress Casino Chips, redeem Vouchers issued by Empress Casino EGDs or redeem outstanding markers issued by Empress Casino, on condition that Empress Casino establish a cage on site as soon as possible. I further move to limit this waiver to the first to occur of the following: the end of the April 20, 2009 gaming day or the reopening of the Empress Casino Joliet.** Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Moore commented on the update pertaining to Par-A-Dice Casino in East Peoria, Illinois. He stated that this is the second year where there is a lack of employee diversity and supplier diversity; on the gender level and particularly on race at the professional level. The lack of involvement in the community is unacceptable. Member Moore addressed his comments to General Manager Loren Gill of Par-A-Dice. He stated that he hopes that there will be an improvement. General Manager Gill addressed Member Moore and stated that he will get Member Moore more accurate numbers and he offered to brief Member Moore after the meeting.

#### **OWNER LICENSEE ITEMS**

- Harrah's Entertainment – 2<sup>nd</sup> Debt Exchange Offer and Waiver of the Two-Meeting Rule

Pursuant to section 260 of the Adopted Rules, Member Winkler moved to **waive the two-meeting rule required by section 105(e) of the Rules to permit Harrah's Operating Company to present its request for approval of a 2<sup>nd</sup> Debt Exchange Offer.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Harrah's Entertainment – 2<sup>nd</sup> Debt Exchange Offer

Based on staff's investigation and recommendation and pursuant to section 230(d) of the Adopted Rules Member Winkler moved to **approve Harrah's Operating Company's (HOC) Proposed Exchange Offer Refinancing Transaction in which HOC proposes to exchange HOC unsecured notes for new HOC secured notes and cash.**

**This transaction is subject to the condition that Southern Illinois Riverboat Casino Cruises, Inc. and Des Plaines Development Limited Partnership, the two Harrah's Illinois licensees, will not be required to pledge their ownership licenses as part of the Exchange Offer. However, Southern Illinois Riverboat Casino Cruises, being a wholly owned subsidiary of HOC, will be a guarantor of the 2<sup>nd</sup> lien notes in the new Exchange Offer.** Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

- Alton Belle Casino – Tanisha Ursery, Senior Internal Auditor – Level One

Based on staff's investigation and recommendation, Member Moore moved that **the Board approve Tanisha Ursery as an Occupational Licensee Level 1 in the position of Senior Internal Auditor at the Alton Gaming Company d/b/a Alton Belle Casino in Alton, Illinois.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Casino Rock Island – Michael Auger, Controller – Level One

Based on staff's investigation and recommendation, Member Moore moved that **the Board approve Michael Auger as an Occupational Licensee Level 1 in the position of Controller at the Rock Island Boat Works, Inc. d/b/a Jumer's Casino Rock Island in Rock Island, Illinois.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Gardner asked General Manager Jim Milne, how everything was going out at the new Jumer's Casino Rock Island. Mr. Milne responded very well. Member Gardner commented that the grand opening went well and the Board was looking forward to being at the property in May, 2009.

- Harrah's Metropolis – Kevin White, Director of Security – Level One

Based on staff's investigation and recommendation, Member Moore moved that **the Board approve Kevin White as an Occupational Licensee Level 1 in the position of Director of Security at Harrah's Metropolis Casino & Hotel in Metropolis, Illinois.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

### **SUPPLIER LICENSEE ITEMS**

- Aristocrat Technologies, Inc. – Nicholas Khin, President & CEO – Key Person

Based on a review of staff's investigation and recommendation, Member Sullivan moved that **the Board approve Nicholas Khin as a Key Person for Aristocrat Technologies, Inc. as President and CEO.** Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

- Progressive Gaming International Corporation – Petition to Surrender its Supplier's License

Based on staff's investigation and recommendation, Member Sullivan moved that **pursuant to section 244 of the Adopted Rules, that the Board approve the petition of Progressive Gaming International Corporation to surrender its supplier's license.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

## **OCCUPATIONAL LICENSES APPROVALS & DENIALS – LEVEL 2’S & 3’S**

Based on staff's investigation and recommendation, Member Winkler moved **that the Board approve 27 applications for an Occupational License, Level 2, and 88 applications for an Occupational License, Level 3.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

## **PROPOSED COMPLAINTS AND DISCIPLINARY ACTIONS**

- Edith Tarpeh - Occupational Licensee

Based on staff's investigation and recommendation, Member Winkler moved that **the Board issue a Disciplinary Complaint against Edith Tarpeh, an occupational licensee, for failing to disclose a December 25, 2008 arrest.**

Further, Member Winkler moved that **the Board suspend Edith Tarpeh's occupational license for 7 work days without pay. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- David J. Spencer – Occupational Licensee

Based on staff's investigation and recommendation, Member Winkler moved that **the Board issue a Disciplinary Complaint against David J. Spencer, an occupational licensee, for failing to disclose a September 17, 2008 arrest.**

Further, Member Winkler moved that **the Board suspend David J. Spencer's occupational license for 7 work days without pay. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Marshall L. Beard - Occupational Licensee

Based on staff's investigation and recommendation, Member Moore moved that **the Board issue a Disciplinary Complaint against Marshall L. Beard, an occupational licensee, for failing to disclose his May 4, 2008 arrest and September 16, 2008 conviction.**

Further, Member Moore moved that **the Board suspend Marshall L. Beard's occupational license for 14 work days without pay. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Alaina D. Morgan – Occupational Licensee

Based on staff's investigation and recommendation, Member Moore moved that **the Board issue a Disciplinary Complaint against Alaina D. Morgan, an occupational licensee, due to her admission in writing that she took money from her drawer on two separate occasions.**

Further, Member Moore moved that **the Board revoke Alaina D. Morgan's occupational license. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Ryann Donnelly – Occupational Licensee

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board issue a Disciplinary Complaint against Ryann Donnelly, an occupational licensee, because while working as a cashier at the buffet she allowed two patrons to enter and eat at the buffet without charging them for their meals and she then accepted a tip from one of the two patrons.**

Further, Member Sullivan moved that **the Board revoke Ryann Donnelly's occupational license. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

### **ADMINISTRATIVE HEARINGS/ALJ**

- In Re: The Disciplinary Action of Timothy Borrowdale DC-08-62

Pursuant to section 1155 of the Adopted Rules, Member Sullivan moved for **the adoption and entry of the attached Final Board Order revoking the Occupational License held by Timothy Borrowdale and setting forth therein our bases for revocation.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

At 1:40 p.m. Member Winkler motioned to adjourn while Member Sullivan seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta  
Secretary to the Administrator